

Subpart B [Reserved]

Subpart C—Fire and Rescue Loans

EFFECTIVE DATE NOTE: At 68 FR 65830, Nov. 24, 2003, subpart C of part 1942 was amended by revising the heading, effective Feb. 9, 2003. For the convenience of the user, the revised text is set forth as follows:

Subpart C—Fire and Rescue and Other Small Community Facilities Projects

SOURCE: 52 FR 43726, Nov. 16, 1987, unless otherwise noted.

§ 1942.101 General.

This subpart provides the policies and procedures for making and processing insured community facility loans for facilities that will primarily provide fire or rescue services. Any processing or servicing activity conducted pursuant to this subpart involving authorized assistance to FmHA or its successor agency under Public Law 103-354 employees, members of their families, known close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900 of this chapter. Applicants for this assistance are required to identify any known relationship or association with an FmHA or its successor agency under Public Law 103-354 employee. Community facility loans for other types of facilities are covered in subpart A of this part 1942.

[52 FR 43726, Nov. 16, 1987, as amended at 58 FR 226, Jan. 5, 1993]

EFFECTIVE DATE NOTE: At 68 FR 65830, Nov. 24, 2003, § 1942.101 was revised, effective Feb. 9, 2004. For the convenience of the user, the revised text is set forth as follows:

§ 1942.101 General.

This subpart provides the policies and procedures for making and processing insured Community Facilities (CF) loans for facilities that will primarily provide fire or rescue services and other small essential community facility projects and applies to fire and rescue and other Community Facilities loans for projects costing \$300,000 and under. Any processing or servicing activity conducted pursuant to this subpart involving authorized assistance to Rural Development employees, members of their families, known

close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900 of this chapter. Applicants for this assistance are required to identify any known relationship or association with a Rural Development employee. Community Facilities loans for other types of facilities, and those costing in excess of \$300,000, are defined in subpart A of this part.

§ 1942.102 Nondiscrimination.

(a) Federal statutes provide for extending Farmers Home Administration (FmHA) or its successor agency under Public Law 103-354 financial programs without regard to race, color, religion, sex, national origin, marital status, age, or physical/mental handicap. The participants must possess the capacity to enter into legal contracts under State and local statutes.

(b) Indian tribes on Federal and State reservations and other Federally recognized Indian tribes are eligible to apply for and are encouraged to participate in this program. Such tribes might not be subject to State and local laws or jurisdiction. However, any requirements of this subpart that affect applicant eligibility, the adequacy of FmHA or its successor agency under Public Law 103-354's security or the adequacy of service to users of the facility and all other requirements of this subpart must be met.

§ 1942.103 Definitions.

For the purpose of this subpart:

(a) *Construction* means the act of building or putting together a facility that is a part of or physically attached to real estate. This does not include procurement of major equipment even though the equipment may be custom built to meet the owner's requirements.

(b) *Owner* means an applicant or borrower.

(c) *Regional Attorney* or *OGC* means the head of a Regional Office of General Counsel (OGC).

EFFECTIVE DATE NOTE: At 68 FR 65830, Nov. 24, 2003, § 1942.103 was revised, effective Feb. 9, 2004. For the convenience of the user, the revised text is set forth as follows:

§ 1942.103 Definitions.

Agency. The Rural Housing Service (RHS), an agency of the U.S. Department of Agriculture.

Approval official. An official who has been delegated loan or grant approval authorities within applicable programs, subject to certain dollar limitations.

Construction. The act of building or putting together a facility that is a part of, or physically attached to, real estate. This does not include procurement of major equipment even though the equipment may be custom built to meet the owner's requirements.

Owner. An applicant or borrower.

Processing office. The office designated by the State program official to accept and process applications for Community Facilities projects.

Regional Attorney or OGC. The head of a Regional Office of the General Counsel (OGC).

Small Community Facilities projects. Community Facilities loans costing \$300,000 and under.

§ 1942.104 Application processing.

(a) *General.* Prospective applicants should request assistance by filing SF 424.2, "Application for Federal Assistance (For Construction)," with the County or District FmHA or its successor agency under Public Law 103-354 Office. When practical, District Directors should meet with prospective applicants before an application is filed to discuss eligibility and FmHA or its successor agency under Public Law 103-354 requirements and processing procedures. Throughout loan processing FmHA or its successor agency under Public Law 103-354 should confer with applicant officials as needed to ensure that applicant officials understand the current status of the processing of their application, what steps and determinations are necessary and what is required from them. FmHA or its successor agency under Public Law 103-354 should assist the applicant as needed and generally try to develop and maintain a cooperative working relationship with the applicant.

(b) *County Office.* The County Office may handle initial inquiries and provide basic information about the program, application forms, and assistance in completing applications. Applications filed in the County Office should be forwarded immediately to the District Office. The applicant should be informed that further processing will be handled by the District Office. When an application is received, the County Office must establish and maintain an information folder.

(c) *District Office.* If the application is filed in the District Office, the District Director must send a copy to the County Supervisor to set up the information file. The District Director must supply information on fire and rescue loan activity within the County Office service area to the County Supervisor at key points throughout the loan making process. As a minimum, the District Director should provide appropriate copies or notice to the County Office when the following actions occur:

- (1) Project summary is completed.
 - (2) Letter of conditions is issued.
 - (3) Applicant declines to execute Form FmHA or its successor agency under Public Law 103-354 1942-46, "Letter of Intent to Meet Conditions."
 - (4) Applicant is notified of loan approval.
 - (5) A loan is properly closed.
 - (6) A construction contract is awarded.
 - (7) A final inspection is completed.
- (d) *Unfavorable decision.* If at any time prior to loan approval it is decided that favorable action will not be taken on an application, the District Director will notify the applicant in writing of the reasons why the request was not favorably considered. The notification to the applicant will state that a review of this decision by FmHA or its successor agency under Public Law 103-354 may be requested by the applicant in accordance with subpart B of part 1900 of this chapter. The following statement will also be made on all notifications of adverse action.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income is derived from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

[52 FR 43726, Nov. 16, 1987, as amended at 54 FR 47197, Nov. 13, 1989; 55 FR 13504, Apr. 11, 1990]

EFFECTIVE DATE NOTE: At 68 FR 65830, Nov. 24, 2003, as corrected at 68 FR 69001, Dec. 11,